

Exhibit 300: Capital Asset Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview & Summary Information

Date Investment First Submitted: 2009-06-30
Date of Last Change to Activities: 2012-07-23
Investment Auto Submission Date: 2012-02-28
Date of Last Investment Detail Update: 2012-02-28
Date of Last Exhibit 300A Update: 2012-07-23
Date of Last Revision: 2012-07-23

Agency: 009 - Department of Health and Human Services
Medicaid Services

Bureau: 38 - Centers for Medicare and

Investment Part Code: 01

Investment Category: 00 - Agency Investments

- 1. Name of this Investment:** CMS ICD-10 Initiative
- 2. Unique Investment Identifier (Ull):** 009-000004417

Section B: Investment Detail

- 1. Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

The coding system for payment of medical claims used in the US is ICD-9; ICD codes are used to classify diagnoses across all providers, however ICD procedure codes are used in inpatient settings only. Developed 30 years ago, ICD-9 has been unable to keep pace with new diseases as well as medical technologies and innovations used to treat, screen, test for or diagnose disease. Therefore, the tenth revision of the code set (ICD-10) is being adopted. ICD codes exist where diagnosis and inpatient procedure information is required, processed and reported by CMS systems; thus, CMS is modifying existing systems, not building new ones. Once code conversion is completed this investment will end and maintaining the codes will resume within the respective shared systems investments responsible for Medicare Part A, B and Durable Medical Equipment (DME) claims processing operations according to the current O&M schedule/process. ICD-10 provides more detailed information concerning diagnoses and procedures for fraud and abuse detection, increased accuracy of claims payment, and supports the Secretary's quality and transparency initiatives such as the Value Based Purchasing initiative as well as CMS' quality and transparency initiatives. CMS will continue updating and incorporating policy, business process, and systems changes throughout FY2013. There is an October 1, 2013 implementation date; therefore, this investment will end in 2013.

2. **How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.**

ICD codes are used in almost every aspect of CMS business operations and it is imperative that every process that utilizes the codes incorporate ICD-10 into their operations by October 1, 2013. Without the requested funding and its associated activities, all previous ICD-10 work undertaken by the agency will be rendered unusable, and CMS will not be able to make the necessary changes to business processes by the October 1, 2013 deadline. If the proper education, outreach and training of ICD-10 are not supplied, or if implementation is not properly managed across the agency, then CMS staff and contractors may not understand how to implement then new codes in their day-to-day work, causing massive delays or errors in implementation. This may cause CMS to not meet its goals or objectives.

3. **Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.**

Establishment of Program Management Strategy, consisting of 18 Project Areas representing all CMS systems and business processes. Schedules and timelines set for all systems and business processes. Initiation of dashboard reporting tool for monitoring schedule progress.

4. **Provide a list of planned accomplishments for current year (CY) and budget year (BY).**

Continued Project Area Reviews by the Program Management Office. This ensures adherence to schedules and identifies newly discovered risks. Solidify MAC/Carrier/FI work plans for their transition to ICD-10. Go live with Version 5010 on the January 1, 2012 implementation date. Further coordinate CMS' internal testing strategy, including the development of test data for internal use.

5. **Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.**

2010-03-04

Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	\$4.0	\$4.0	\$5.0	\$0.0
DME (Excluding Planning) Costs:	\$6.9	\$14.5	\$27.0	\$29.0
DME (Including Planning) Govt. FTEs:	\$0.0	\$0.0	\$0.0	\$0.0
Sub-Total DME (Including Govt. FTE):	\$10.9	\$18.5	\$32.0	\$29.0
O & M Costs:	\$0.0	\$0.0	\$0.0	\$0.0
O & M Govt. FTEs:	\$1.0	\$0.5	\$0.6	\$0.6
Sub-Total O & M Costs (Including Govt. FTE):	\$1.0	\$0.5	\$0.6	\$0.6
Total Cost (Including Govt. FTE):	\$11.9	\$19.0	\$32.6	\$29.6
Total Govt. FTE costs:	\$1.0	\$0.5	\$0.6	\$0.6
# of FTE rep by costs:	6	4	5	5
Total change from prior year final President's Budget (\$)		\$-6.6	\$0.0	
Total change from prior year final President's Budget (%)		-25.80%	0.00%	

2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:

There was a \$4.015M funding reduction in the PY. As a result, we had less IT funding to disperse to our various projects. However, all necessary projects have been funded and are operating within this reduced amount. The CY funding has not been adjusted.

Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value (\$M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded	7530	HHSM500200900055C									
Awarded	7530	HHSM500200800329G	GS35F4984H	4730							
Awarded	7530	HHSM500T0001	HHSM500200800021I	7530							
Awarded	7530	HHSM500200900057G	GS35F0462V	4730							
Awarded	7530	HHSM50000001	HHSM500200500029I	7530							
Awarded	7530	HHSM50000001	HHSM500200800027I	7530							
Awarded	7530	HHSM500T0001	HHSM500200900001I	7530							
Awarded	7530	HHSM500200900058G	GS10F0189T	4730							

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

Exhibit 300B: Performance Measurement Report

Section A: General Information

Date of Last Change to Activities: 2012-07-23

Section B: Project Execution Data

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
294801	ICD-10 Implement System Updates	This project includes developing a conversion/implementation strategy, designing the plan of action, implementing the plan, developing a testing strategy, and performing the testing to upgrade FFS systems, Medicare Quality Improvement Systems, and Medicare Advantage and Part D systems to accept ICD-10 codes.			

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities (\$M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance (\$M)	Cost Variance (%)	Total Planned Cost (\$M)	Count of Activities
294801	ICD-10 Implement System Updates							

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
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Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
294801	294801: Plan of action for FFS systems		2012-02-29	2012-02-29	2012-04-05	181	-36	-19.89%
294801	294801: Plan of action for MA & Pt D systems		2012-02-29	2012-02-29	2012-04-05	181	-36	-19.89%
294801	294801: Plan of action for Upgrading Quality systems		2012-02-29	2012-02-29	2012-04-05	181	-36	-19.89%

Section C: Operational Data

Table II.C.1 Performance Metrics								
Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency

NONE